



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

November 29, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

72 November 29, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**ISSUANCE AND SALE OF HAWTHORNE SCHOOL DISTRICT GENERAL OBLIGATION BONDS,
2008 ELECTION, 2011 SERIES A (SECOND DISTRICT) (3 VOTES)**

SUBJECT

The governing board of the Hawthorne School District (the "District") has requested that the County issue general obligation bonds on its behalf in an aggregate principal amount not to exceed \$4,200,000. The bonds were authorized by a vote of the qualified electors of the District and will be issued to finance capital improvements for various school facilities. The repayment of the bonds will be funded from ad valorem taxes levied on all taxable property within the District.

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the resolution authorizing the issuance and sale of the Hawthorne School District (Los Angeles County, California) General Obligation Bonds, 2008 Election, 2011 Series A.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 3, 2008, voters residing in the District approved a ballot measure authorizing the District to issue up to \$20,000,000 in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on October 26, 2011, and determined that the District needs to borrow funds in an aggregate principal amount not to exceed \$4,200,000 to be used for authorized purposes. This will be the second issuance of bonds authorized under this ballot proposition.

Pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, the District has requested the County to issue general obligation bonds on its behalf. As the result of a Qualified Interim Report issued by the Los Angeles County Office of Education, the District is prohibited from being the issuer of its own general obligation bonds.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #1: Operational Effectiveness through collaborative actions among County departments and other governmental jurisdictions to provide investment in public school infrastructure within the County.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The resolution provides for the issuance of bonds at an interest rate not to exceed the maximum rate permitted by law. The final structure of the bonds will be determined at the time of pricing to achieve the lowest cost of financing within the tax levy limits of the proposition. The term of the bonds will not exceed thirty (30) years.

The District is recommending a negotiated sale of the bonds to the underwriter, with participation by the Treasurer and Tax Collector in pricing the bonds. The District has selected Piper Jaffray & Co. as underwriter, Caldwell Flores Winters, Inc. as financial advisor, and the firm of Fulbright & Jaworski L.L.P. as bond counsel. The Treasurer and Tax Collector will appoint U.S. Bank National Association as paying agent.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

CONCLUSION

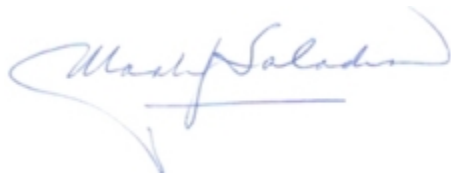
Upon approval, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted resolution to the Treasurer and Tax Collector (Office of Public Finance).

The Honorable Board of Supervisors

11/29/2011

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Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino". The signature is fluid and cursive, with a horizontal line drawn underneath the name.

MARK J. SALADINO

Treasurer and Tax Collector

MJS:JP:KC:ad

Enclosures

c: Chief Executive Officer
Auditor-Controller
County Counsel
Executive Officer, Board of Supervisors
Hawthorne School District
Los Angeles County Office of Education
Fulbright & Jaworski L.L.P.

RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF LOS ANGELES, CALIFORNIA,
AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, 2008 ELECTION, 2011 SERIES A
OF THE HAWTHORNE SCHOOL DISTRICT
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
FOUR MILLION TWO HUNDRED THOUSAND DOLLARS

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF LOS ANGELES, CALIFORNIA,
AUTHORIZING THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, 2008 ELECTION, 2011 SERIES A
OF THE HAWTHORNE SCHOOL DISTRICT
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
FOUR MILLION TWO HUNDRED THOUSAND DOLLARS**

WHEREAS, a duly called election was held in the Hawthorne School District (the "District"), County of Los Angeles (the "County"), on June 3, 2008 and thereafter canvassed pursuant to law; and

WHEREAS, at such election there was submitted to and approved by the requisite fifty-five percent (55%) of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$20,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, the Board of Trustee of the District (the "District Board") has previously approved the issuance, among other series, of \$3,675,000 aggregate principal amount of the District's Bond Anticipation Notes, 2010 Series C (the "BANs"); and

WHEREAS, the District Board has now determined that conditions in the financial marketplace are favorable for the refunding of the outstanding principal amount of the BANs; and

WHEREAS, the County Board of Supervisors (the "Board") has received a resolution of the District Board, adopted on October 26, 2011 (the "District Resolution"), requesting the issuance pursuant to the Act defined below of one or more series of bonds within the Authorization in an aggregate principal amount not to exceed \$4,200,000 (the "Bonds"), the proceeds of which will be used to refund the BANs; and

WHEREAS, the issuance of the Bonds shall be conditional upon receipt by the County and the District of written consent to such issuance from Assured Guaranty Municipal Corp., as insurer of the District's Certificates of Participation, 2009 Series A (the "2009 COPs").

NOW THEREFORE, IT IS ORDERED by the Board of Supervisors of the County as follows:

SECTION 1. Definitions. The following terms shall for all purposes of this Resolution have the following meanings:

“Act” means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”).

“Accreted Value” shall mean (i) with respect to any Capital Appreciation Bond, as of any date of calculation, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, or as otherwise stated in the Contract of Purchase, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months and (ii) (ii) any Convertible Capital Appreciation Bond, as of any date of calculation prior to the Conversion Date, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, or as otherwise stated in the Contract of Purchase, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months..

“Authorized Investments” shall mean legal investments authorized by Section 53601 of the Government Code of the State of California, as in effect on the date such investments are made, and shall specifically include the County Treasury Pool, guaranteed investment contracts, repurchase agreements and reverse repurchase agreements lawful for the investment of surplus funds of the District under and pursuant to clause (i) of said Section 53601.

“Authorized Newspaper” shall mean (i) The Bond Buyer or (ii) a newspaper or newspapers, customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, published in the English language and of general circulation in the County of Los Angeles, California and in the City and State of New York.

“Authorizing Law” shall mean, collectively, (i) pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”), and (ii) Article XIII A of the California Constitution.

“BANs” shall mean the Hawthorne School District Bond Anticipation Notes, 2010 Series C.

“Board” shall mean the Board of Supervisors of the County.

“Bond Obligation” shall mean from time to time as of the date of calculation, with respect to any Current Interest Bond, the Principal Amount thereof, with respect to any Capital Appreciation Bond, the Accreted Value thereof, and with respect to any Convertible Capital Appreciation Bond, the Conversion Value thereof.

“Bond Register” shall mean the books referred to in Section 15 of this Resolution.

“Bonds” shall mean the Hawthorne School District General Obligation Bonds, 2008 Election, 2011 Series A, issued and delivered pursuant to this Resolution and the District Resolution, adopted on October 26, 2011.

“Bond Year” shall mean the twelve-month period commencing January 1 in any year and ending on the last day of December in the next succeeding year, both dates inclusive, or as otherwise set forth in the Contract of Purchase; provided, however, that the first Bond Year shall commence on the day the Bonds are issued and shall end on December 31, 2012, both dates inclusive, or as otherwise set forth in the Contract of Purchase.

“Business Day” shall mean a day which is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

“Capital Appreciation Bonds” shall mean the Bonds designated as such in Section 10 of this Resolution.

“Chair of the Board of Supervisors” shall mean the Chair, Chairperson, Chairman or Mayor of the Board of Supervisors of the County of Los Angeles.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Certificate” shall mean the Continuing Disclosure Certificate of the District for the benefit of the Owners of the Bonds.

“Contract of Purchase” shall mean the Contract of Purchase by and among the County, the District and the Underwriter relating to the Bonds.

“Conversion Date” shall mean the date upon which the Convertible Capital Appreciation Bonds will convert from Capital Appreciation Bonds to Current Interest Bonds, which date shall be set forth in the Contract of Purchase.

“Conversion Value” shall mean, for each Convertible Capital Appreciation Bond, the Accreted Value thereof on the Conversion Date.

“Convertible Capital Appreciation Bonds” shall mean Bonds which, by their terms, comprise Capital Appreciation Bonds for a term of years, whereupon they convert to Current Interest Bonds at a stated Conversion Value and date.

“Costs of Issuance” shall mean all of the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; underwriter’s fees; rating agency fees and necessary travel expenses; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds or the implementation of the financing for the Projects, to the extent such fees and expenses are approved by the District.

“County” shall mean the County of Los Angeles, California.

“County Office of Education” shall mean the Office of Education of the County and such other persons as may be designated by the County Office of Education to perform the operational and disbursement functions hereunder.

“Current Interest Bonds” shall mean the Bonds designated as such in Section 9 of this Resolution.

“Debt Service” shall have the meaning given to that term in Section 19(c) of this Resolution.

“2011 Series A Debt Service Fund” shall mean the 2011 Series A Debt Service Fund established pursuant to Section 19(a) of this Resolution.

“Depository” shall mean DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the County discontinues use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Treasurer.

“District” shall mean the Hawthorne School District.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Agent” shall mean U.S. Bank National Association, as paying agent for the BANs.

“Escrow Agreement” shall mean that certain Escrow Deposit and Trust Agreement relating to the BANs by and between the District and the Escrow Agent.

“Fiscal Year” shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30 or any other fiscal year in effect for the District.

“Information Services” shall mean Financial Information, Inc.’s “Daily Called Special Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Mergent/FIS, Inc., 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Municipal News Reports; and Kenny S&P, 55 Water Street, 45th Floor, New York, New York 10041, Attention: Notification Department; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a request of the District delivered to the Paying Agent.

“Interest Payment Date” shall mean with respect to (i) any Current Interest Bond, February 1 and August 1 in each year, or as otherwise specified in the Contract of Purchase, commencing on the date specified in the Contract of Purchase, (ii) any Capital Appreciation Bond, the maturity or prior redemption date thereof, and (iii) any Convertible Capital Appreciation Bond, each February 1 and August 1 following the Conversion Date., or as otherwise set forth in the Contract of Purchase.

“Maturity Amount” shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Nominee” shall mean the nominee of the Depository which may be the Depository, as determined from time to time by the Depository.

“Outstanding” when used with reference to the Bonds, shall mean, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 14 hereof,
- (iii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 36 of this Resolution.

“Owner” shall mean the registered owner, as indicated in the Bond Register, of any Bond.

“Participant” shall mean a member of or participant in the Depository.

“Paying Agent” shall mean the Treasurer and his designated agents or his successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent. The Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

“Pledged Moneys” shall have the meaning given to that term in Section 18 of this Resolution.

“Principal” or “Principal Amount” shall mean, as of any date of calculation, with respect to (i) any Current Interest Bond, the principal amount thereof, (ii) any Capital Appreciation Bond, the initial principal amount thereof, and (iii) any Convertible Capital Appreciation Bond, the initial principal amount thereof..

“Projects” shall have the meaning given to that term in Section 7 of this Resolution.

“Project Costs” shall mean all of the expenses of and incidental to the construction and/or acquisition of the Projects, including Costs of Issuance.

“Record Date” shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

“Regulations” shall mean the regulations of the United States Department of the Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their terms are effective with respect to the Bonds and similar Treasury Regulations to the

extent not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

“Resolution” shall mean this Resolution.

“S&P” shall mean Standard & Poor’s, a division of the McGraw-Hill Companies, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

“Securities Depositories” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Fax (212) 855-1000 or 7320; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the County may designate in a Certificate of the County delivered to the Paying Agent.

“State” shall mean the State of California.

“Superintendent of Schools” shall mean the Superintendent of Schools of the County.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the County in accordance with Section 33 or Section 34 hereof.

“Tax Certificate” shall mean the Tax Exemption Certificate of the District delivered in connection with the issuance of the Bonds.

“Transfer Amount” shall mean, with respect to (i) any Outstanding Current Interest Bond, the aggregate Principal Amount thereof, (ii) any Outstanding Capital Appreciation Bond, the Maturity Amount thereof, and (iii) any Outstanding Convertible Capital Appreciation Bonds, the Conversion Value thereof.

“Treasurer” shall mean the Treasurer and Tax Collector of the County or any authorized deputy thereof.

“Underwriter” shall mean Piper Jaffray & Co.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Authorizing Law.

SECTION 4. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the County, the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

SECTION 5. Approval of Contract of Purchase. The Treasurer, or his deputy, and such other officers of the County as shall be authorized by the Board, in consultation with the Underwriter and bond counsel and such officers of the District as shall be authorized by the Governing Board of the District, are hereby authorized and directed to issue and deliver the Bonds and to establish the final Principal Amount thereof, provided, however, that such combined Principal Amount (in one or more series) shall not exceed the maximum aggregate Principal Amount of \$4,200,000; and provided that the District has received written consent to the issuance of the Bonds from Assured Guaranty Municipal Corp., as insurer of the 2009 COPs. The form of the Contract of Purchase attached hereto as Exhibit B is hereby approved. The Treasurer, or his deputy, and such other officers of the County as may be authorized by the Board are, and each of them acting alone is, authorized and directed to execute and deliver the Contract of Purchase for and in the name and on behalf of the County, with such additions, changes or corrections therein as the officer executing the same on behalf of the County may approve, in his discretion, as being in the best interests of the County and the District, such approval to be conclusively evidenced by such officer's execution thereof, and any other documents required to be executed thereunder, and to deliver the same to the Underwriter. The Treasurer, or his deputy, and such other officers of the County as may be authorized by the Board are, and each of them acting alone hereby is, in consultation with such authorized officers of the District, authorized and directed to negotiate with the Underwriter the interest rates on the Bonds and the purchase price of the Bonds to be paid by the Underwriter, which purchase price shall reflect an Underwriter's discount of not to exceed one and one half percent (1.5%) (not including original issue discount or any costs of issuance to be paid by the Underwriter) of the Principal Amount thereof. The Bonds will be issued at a true interest cost not to exceed the maximum permitted by law and shall not exceed thirty (30) years in maturity from their date of issuance. Final terms of the Bonds shall be as set forth in the Contract of Purchase.

SECTION 6. Authorization of Officers. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized to execute any and all documents and do and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

SECTION 7. Use of Bond Proceeds. Bonds of the District shall be issued in the name and on behalf of the District in an aggregate Principal Amount not to exceed \$4,200,000, to be used to refund the BANs, the proceeds of which were used for some or all of the purposes authorized at the June 3, 2008 election, the bond proposition and project list approved at which shall be incorporated herein by this reference as though fully set forth in this Resolution (the "Projects"). The County makes no assurances regarding the use of the proceeds of the Bonds.

SECTION 8. Designation and Form; Payment.

(a) An issue of Bonds of one or more series entitled to the benefit, protection and security of this Resolution is hereby authorized in an aggregate Principal Amount not to exceed \$4,200,000. Such Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated "Hawthorne School District General Obligation Bonds, 2008 Election, 2011 Series A" with such additional series designations as may be necessary or advisable in order to market the Bonds, as set forth in the Contract of Purchase. The Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds and shall be subject to redemption as further set forth in the Contract of Purchase, pursuant to this Resolution.

(b) The forms of the Bonds shall be substantially in conformity with the standard forms of registered school district bonds, copies of which are attached hereto as Exhibit A-1 and Exhibit A-2 and incorporated herein by this reference.

(c) Principal, premium, if any, and interest with respect to any Bond are payable in lawful money of the United States of America. Principal and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent in Los Angeles County, California.

SECTION 9. Description of Current Interest Bonds.

(a) The Bonds issued as Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, provided that one such Bond may be in an irregular denomination. The Current Interest Bonds shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Contract of Purchase.

(b) Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Contract of Purchase. Interest on Current Interest Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Current Interest Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; provided, however, that if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Current Interest Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 or more of such Current Interest Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such

Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Current Interest Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

SECTION 10. Description of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds

(a) The Bonds issued as Capital Appreciation Bonds shall be issued in fully registered form in any denominations of their Principal Amounts but shall reflect denominations of \$5,000 Maturity Amount or any integral multiple thereof, except that one such Bond may reflect an irregular denomination. The Capital Appreciation Bonds shall be dated as of the date of their issuance, shall be issued in the aggregate Principal Amounts, shall mature on the dates, in the years and in the Maturity Amounts, and shall accrete interest at the accretion rates, all as set forth in the Contract of Purchase.

(b) Interest on each Capital Appreciation Bond, if any, shall be compounded semiannually on February 1 and August 1 of each year until maturity, or as otherwise set forth in the Contract of Purchase, commencing on the date set forth in the Contract of Purchase, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount.

(c) The Bonds issued as Convertible Capital Appreciation Bonds shall be issued in fully registered form in any denominations of \$5,000 Conversion Value or any integral multiple thereof. The Convertible Capital Appreciation Bonds shall be dated the date of their issuance, shall be issued in the aggregate Principal Amount, shall mature on the dates and in the years, shall be subject to redemption and have the Conversion Values, all as set forth in the Contract of Purchase.

(d) Prior to the Conversion Date, the Convertible Capital Appreciation Bonds shall not pay current interest. Prior to the Conversion Date, each Convertible Capital Appreciation Bond shall have increased in value by the accretion of interest from its initial Principal Amount on the date of issuance thereof to its stated Conversion Value at the Conversion Date. Prior to the Conversion Date, interest accreting on the Convertible Capital Appreciation Bonds will be computed on the basis of a 360-day year comprised of twelve (12) 30-day months, will be compounded semiannually thereafter on February 1 and August 1 in each year, or as otherwise set forth in the Contract of Purchase. No interest will be payable on any Convertible Capital Appreciation Bond prior to or on the Conversion Date.

(e) Following the Conversion Date, interest on the Convertible Capital Appreciation Bonds shall be computed based upon the Conversion Value and on the basis of a 360-day year comprised of twelve 30-day months and will be payable on each Interest Payment Date, commencing on the first Interest Payment Date following the Conversion Date. Following its Conversion Date, each Convertible Capital Appreciation Bond will pay interest and be payable in the same manner as Current Interest Bonds.

SECTION 11. Book-Entry System.

(a) The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds within each series. Upon initial issuance, the ownership of each such Bond certificate shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (c) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each Bond certificate shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the County and the District shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the County and the District shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice, (iii) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (iv) the payment to any Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, and interest on the Bonds. The County and the District may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment of Principal of, premium, if any, and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Paying Agent shall pay all Principal of, premium, if any, and interest on the Bonds only to the respective Bond Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the County of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject

to the provisions hereof with respect to Record Dates, the word Nominee in this Resolution shall refer to such new nominee of the Depository.

(b) If at any time the Depository notifies the County and the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the Treasurer within 90 days after the County and the District receive notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the Treasurer shall issue bonds representing the Bonds as provided below. In addition, the County and the District may determine at any time that the Bonds shall no longer be represented by book-entry securities and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event the Treasurer shall execute and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for book-entry securities pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the County and the District. The Treasurer shall deliver certificated securities representing the Bonds to the persons in whose names such Bonds are so registered.

If the County and the District determine to replace the Depository with another qualified securities depository, the County and the District shall prepare or cause to be prepared a new fully registered book-entry security for each of the maturities of Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the County, the District and such securities depository and not inconsistent with the terms of this Resolution.

(c) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal or Accreted Value of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

(d) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

SECTION 12. Execution of the Bonds.

(a) The Bonds shall be executed in the name of the District by the County by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and the manual or facsimile signature of the Treasurer, and shall be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board or by a deputy of either of such officers. The County's seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced on each Bond. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been issued by the County on behalf of the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any of the Bonds may be signed and sealed on behalf of the County by such persons as at the time of the execution of such Bonds shall be duly authorized to

hold or shall hold the proper offices in the County, although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) The Bonds shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of authentication duly executed by the Paying Agent shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 13. Transfer and Exchange. The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A-1 or A-2 hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the County, the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Transfer Amount of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, maturity, Transfer Amount, series and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this Section 14 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

SECTION 15. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books.

SECTION 16. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the General Fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first class mail, postage prepaid, not less than ninety (90) days prior to the date of such payment to the effect that said money has not been claimed and that after a date named therein any unclaimed balance of said money then remaining will be transferred to the general fund of the District. Thereafter, the Owners of such Bonds shall look only to the General Fund of the District for payment of such Bonds.

SECTION 17. Application of Proceeds. Certain net proceeds from the sale of the Bonds shall be transferred to the Escrow Agent for deposit into the Escrow Fund established under the Escrow Agreement, which amount shall be sufficient to purchase the Federal Securities and hold uninvested an amount or amounts of cash needed to pay the BANs in accordance with their terms, all as set forth in the Escrow Agreement. Proceeds of the sale of the Bonds required to pay all or a portion of the costs of issuing the Bonds may be deposited in the fund of the District known as the "Hawthorne School District 2011 General Obligation Bonds Cost of Issuance Fund" (the "Cost of Issuance Fund") and shall be kept separate and distinct from all

other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Bonds.

SECTION 18. Payment and Security for the Bonds. The Board shall annually at the time of making the levy of taxes for County purposes, levy a continuing direct *ad valorem* tax for the Fiscal Year upon the taxable property in the District in an amount at least sufficient, together with moneys on deposit in the 2011 Series A Debt Service Fund and available for such purpose, to pay the Principal of, premium, if any, and interest on each Bond as each becomes due and payable in the next succeeding Bond Year. The tax levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, on behalf of the District, hereby pledges as security for the Bonds and the interest thereon, and the Treasurer is directed to deposit or cause to be deposited in the District's 2011 Series A Debt Service Fund, the proceeds from the levy of the aforementioned tax which the County receives (the "Pledged Moneys"). The Pledged Moneys shall be used to pay the Principal of, premium, if any, and interest on the Bonds when and as the same shall become due and payable. The Bonds are the general obligations of the District and do not constitute an obligation of the County except as provided in this Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon.

SECTION 19. Debt Service Fund.

(a) The County is hereby directed to deposit or cause to be deposited any accrued interest received by the County from the sale of the Bonds in the fund established for the account of the District and designated as the "Hawthorne School District, General Obligation Bonds, 2008 Election, 2011 Series A, Debt Service Fund" (the "2011 Series A Debt Service Fund") to be administered by the County and used only for the payment of the Principal of, premium, if any, and interest on the Bonds. Any excess original issue premium received by the District from the sale of the Bonds shall be deposited in the 2011 Series A Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the 2011 Series A Debt Service Fund and applied to the payment of the Maturity Value, principal and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Notwithstanding any of the foregoing, the provisions of this Section as they relate to the dispersal and allocation of moneys on deposit in the 2011 Series A Debt Service Fund may be amended by the Purchase Contract and Official Statement so long as the transactions contemplated by such amendment are in compliance with the provisions of the Act.

(b) All Pledged Moneys shall be deposited upon collection by the County into the 2011 Series A Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Bonds.

(c) On the Business Day immediately preceding each Interest Payment Date, if the Paying Agent is not the Treasurer, and on the Interest Payment Date if the Paying Agent is the Treasurer, the District shall transfer or cause to be transferred from the 2011 Series A Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any, and interest on the Bonds (collectively, the "Debt Service")

on such Interest Payment Date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(d) Except as required below to satisfy the requirements of Section 148(t) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of monies held in the 2011 Series A Debt Service Fund shall be retained therein and used to pay principal of and interest on the Bonds when due.

(e) The District shall cause moneys to be transferred to the extent needed to comply with the Tax Certificate. Any amounts on deposit in the 2011 Series A Debt Service Fund when there are no longer any Bonds Outstanding shall be transferred to the General Fund of the District subject to any conditions set forth in the Tax Certificate.

SECTION 20. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the County Office of Education may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 21. Redemption. The Bonds shall be subject to redemption as provided in the Contract of Purchase.

SECTION 22. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Contract of Purchase for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Interest Payment Date designated for such redemption, shall select Bonds for redemption as directed by the District, or, in the absence of such direction, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in the Maturity Amount of \$5,000 or any integral multiple thereof. The Accreted Value of such Capital Appreciation Bond shall be determined by reference to a schedule to be provided to the Paying Agent.

SECTION 23. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Contract of Purchase, the Paying Agent, upon written instruction from the District given at least 60 days prior to the Interest Payment Date designated for such redemption, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount or Accreted Value, as appropriate, of such Bond to be redeemed, and (g) the original issue date, interest rate or accretion rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and

payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date in the case of Current Interest Bonds, and that from and after such date interest with respect thereto shall cease to accrue or accrete and be payable.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of the notice required by clause (a) of this Section 23, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities Depositories.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 24. Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of Authorized Denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 25. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the 2011 Series A Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 21 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of Sections 21, 22 and 23 shall be cancelled upon surrender thereof and delivered to or upon the order of the County and the District. All or any portion of a Bond purchased by the

County or the District shall be cancelled by the Paying Agent upon written notice by the County or the District given to the Paying Agent.

SECTION 26. Paying Agent, Appointment and Acceptance of Duties.

(a) The Board hereby appoints the Treasurer as the Paying Agent for the Bonds under this Resolution. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District. The Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

(b) The Paying Agent, if other than the Treasurer acting as Paying Agent, shall have a corporate trust office in Los Angeles, California. Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of Principal of, premium, if any, and interest on the Bonds.

SECTION 27. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 28. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult with counsel, who may or may not be counsel to the County or the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 29. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution. In no event shall the County be required to expend its own funds hereunder.

SECTION 30. Ownership of Bonds Permitted. The Paying Agent or the Underwriter may become the Owner of any Bonds.

SECTION 31. Investment of Certain Funds. Moneys held in all funds and accounts established hereunder shall be invested and reinvested by the Treasurer in Authorized Investments to the fullest extent practicable as shall be necessary to provide moneys when needed for payments to be made from such funds or accounts. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States. All investment earnings on amounts on deposit in the Repayment Account, the Excess Earnings Fund and the 2011 Series A Debt Service Fund shall remain on deposit in such funds.

SECTION 32. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 33. Supplemental Resolutions With Consent of Owners. This Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that so long as the Bond Insurance Policy is in effect, and provided that the Bond Insurer complies with its obligations thereunder, the Bond Insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification thereof or hereof. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

SECTION 34. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the County may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the County or the District in this Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this Resolution, of any moneys, securities or funds, or to establish any additional funds, or accounts to be held under this Resolution;

(d) To cure any ambiguity, supply any omission, or cure to correct any defect or inconsistent provision in this Resolution; or

(e) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the Owners.

SECTION 35. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the County or the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 36. Defeasance. If all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(1) by well and truly paying or causing to be paid the Principal of and interest on all Bonds Outstanding, as and when the same become due and payable;

(2) by depositing with the Paying Agent, in trust, at or before maturity, cash which, together with the amounts then on deposit in the 2011 Series A Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(3) by depositing with an institution to act as escrow agent selected by the District and approved by the County and which meets the requirements of serving as Paying Agent pursuant to Section 26, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series obligations) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a verification agent satisfactory to the County, to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the County, the District and the Paying Agent under this Resolution with respect to all Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 29 hereof.

SECTION 37. Bond Insurance. All or a portion of the Bonds may be sold with bond insurance or other form of credit enhancement, if the Treasurer, in consultation with the Underwriter, the District and the District's financial advisor, determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

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The foregoing resolution was, on the ^{4th} 29 day of November, 2011, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI,
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By: *Lachelle Smitheman*

Deputy

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN,
County Counsel

By: *Carney C. DePant*

Principal Deputy County Counsel



EXHIBIT A-1

FORM OF CURRENT INTEREST BOND

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

HAWTHORNE SCHOOL DISTRICT
(COUNTY OF LOS ANGELES)
GENERAL OBLIGATION BONDS, 2008 ELECTION, 2011 SERIES A

\$ _____

No. _____

Interest Rate:

Maturity Date:

Dated Date:

CUSIP:

_____%

August 1, 20__

_____, 2011

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Hawthorne School District (the "District") of the County of Los Angeles (the "County"), State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on _____ 1, 20__ and semiannually thereafter on the first day of February and August (each, an "Interest Payment Date") in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a "Record Date") and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on ____ 15, 20__, in which event it shall bear interest from its date; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax collector of the County, paying agent (the "Paying Agent"), in Los Angeles County, California. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

The Bonds of this issue are comprised of \$_____ Principal Amount of Current Interest Bonds, of which this Bond is a part (a "Current Interest Bond") and \$_____ Principal Amount of Capital Appreciation Bonds. This Bond is issued by the County in the name of and on behalf of the District under and in accordance with the provisions of (i) Article

4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) and (ii) Article XIII A of the California Constitution, and pursuant to that certain “Resolution of the Board of Supervisors of the County of Los Angeles, California Authorizing the Issuance and Sale of General Obligation Bonds, 2008 Election, 2011 Series A, of the Hawthorne School District in an Aggregate Principal Amount Not to Exceed \$4,200,000” adopted by the Board of Supervisors of the County on November __, 2011 (the “Resolution”). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to both Principal and interest from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ shall not be subject to redemption prior to their maturity dates. The Bonds maturing on or before August 1, 20__ may be redeemed before maturity at the option of the District, from any source of funds, on August 1, 20__ or on any Interest Payment Date thereafter as a whole, or in part, at the principal amount thereof, together with interest accrued thereon to the date of redemption, without premium.

The Bonds maturing August 1, 20__, shall be subject to mandatory sinking fund redemption in part by lot on August 1 of each year from moneys in the 2011 Series A Debt Service Fund, at a redemption price of par, plus accrued interest, in the years and amounts set forth in the following table:

Mandatory Sinking Fund
Payment Date
(August 1)

Mandatory Sinking
Fund Payment

20__
20__
20__⁽¹⁾

⁽¹⁾ Maturity.

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the Governing Board of the District and of the Board of Supervisors of the

County in the matter of the issuance of this Bond were regular and in accordance with the provisions of the Act and of the Constitution of the State of California.

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer – Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto as of the date stated above.

COUNTY OF LOS ANGELES

By: _____
Chair of the Board of Supervisors

By: _____
Treasurer and Tax Collector

[SEAL]

Countersigned:

By: _____
Executive Officer – Clerk of the Board
of Supervisors

The following Certificate of Authentication shall be printed on each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Supervisors of the County of Los Angeles.

DATED: _____, 2011

TREASURER AND TAX COLLECTOR OF
THE COUNTY OF LOS ANGELES, as
Paying Agent

By: U.S. BANK NATIONAL
ASSOCIATION, as agent

By: _____
Authorized Designee

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT A-2

FORM OF CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

HAWTHORNE SCHOOL DISTRICT
(COUNTY OF LOS ANGELES)
GENERAL OBLIGATION BOND, 2008 ELECTION, 2011 SERIES A

\$ _____

No. _____

Accretion Rate:

Maturity Date:

Dated Date:

CUSIP:

____%

August 1, 20__

_____, 2011

REGISTERED OWNER:

PRINCIPAL AMOUNT:

MATURITY AMOUNT:

The Hawthorne School District (the "District") of the County of Los Angeles (the "County"), State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Maturity Amount set forth above, on the Maturity Date set forth above. Interest on this Bond with respect to the Principal Amount hereof will accrete at the Accretion Rate per annum shown above from the Dated Date shown above and will accrete and be compounded semiannually on February 1 and August 1 of each year until maturity, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount or the Accreted Value. The Accreted Value hereof is payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax collector of the County, paying agent (the "Paying Agent"), in Los Angeles County, California.

The bonds of this issue are comprised of \$ _____ of Principal Amount of Capital Appreciation Bonds of which this Bond is a part (a "Capital Appreciation Bond") and \$ _____ Principal Amount of Current Interest Bonds. This Bond is issued by the County in the name of and on behalf of the District under and in accordance with the provisions of (i) Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act") and (ii) Article XIII A of the California Constitution, and pursuant to that certain "Resolution of the Board of Supervisors of the County of Los Angeles, California Authorizing the Issuance and Sale of General Obligation Bonds, 2008 Election, 2011 Series A, of the Hawthorne School District in an Aggregate Amount Not to Exceed \$4,200,000" adopted by the Board of Supervisors of the County on November __, 2011 (the "Resolution"). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent,

the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to Maturity Amount from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Accreted Value of this Bond, or any part hereof, nor any premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Capital Appreciation Bonds are subject to mandatory redemption prior to their maturity date, by lot, at the Accreted Value thereof, without premium, on each August 1, in the years and in an amount equal to the aggregate Accreted Values set forth below:

<u>Redemption Date</u>	<u>Accreted Value To Be Redeemed</u>
------------------------	--

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon, or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the

Resolution, other limitations and restrictions to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Accreted Value, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the Governing Board of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in accordance with the provisions of the Act and of the Constitution of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto as of the date stated above.

COUNTY OF LOS ANGELES

By: _____
Chair of the Board of Supervisors

By: _____
Treasurer and Tax Collector

[SEAL]

Countersigned:

By: _____
Executive Officer – Clerk of the Board
of Supervisors

The following Certificate of Authentication shall be printed on each Bond:

CERTIFICATE OF AUTHENTICATION

DATED: _____, 2011

TREASURER AND TAX COLLECTOR OF
THE COUNTY OF LOS ANGELES, as
Paying Agent

By: U.S. BANK NATIONAL
ASSOCIATION, as agent

By: _____
Authorized Designee

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT A-2

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

HAWTHORNE SCHOOL DISTRICT
(COUNTY OF LOS ANGELES)
GENERAL OBLIGATION BOND, 2008 ELECTION, 2011 SERIES A

\$ _____

No. _____

Reoffering Yield: through <u>Conversion Date</u>	Interest after <u>Conversion Date</u>	Rate the <u>Conversion Date</u>	<u>Conversion Date</u>	<u>Maturity Date</u>	<u>Dated as of:</u>	<u>CUSIP</u>
%	%			August 1, 20__		

REGISTERED OWNER:

PRINCIPAL AMOUNT:

MATURITY AMOUNT:

The Hawthorne School District (the "District") of the County of Los Angeles (the "County") as agent of the Treasurer and Tax collector of the County, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Maturity Amount set forth above, on the Maturity Date set forth above. Interest on this Bond with respect to the Principal Amount hereof will accrete at the Accretion Rate per annum shown above from the Dated Date shown above and will accrete and be compounded semiannually on February 1 and August 1 of each year until maturity, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of the Maturity Amount or the Accreted Value. After the Conversion Date, the District, for value received, promises to pay to the Registered Owner named above, interest on the Accreted Value as of the Conversion Date (the "Conversion Value") until the Maturity Value (*i.e.*, the Conversion Value) is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing _____ 1, 20__ (the first anniversary of Conversion Date). This Bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ 15, 20__, in which event it will bear interest from the Date of Delivery. Principal (*i.e.*, Conversion Value or Maturity Value) and interest are payable at the office of U.S. Bank National Association, as agent of the Treasurer and Tax collector of the County, paying agent (the "Paying Agent"), in Los Angeles County, California.

The Bonds of this issue are comprised of \$_____ of Principal Amount of Convertible Capital Appreciation Bonds of which this Bond is a part (a “Convertible Capital Appreciation Bond”) in the Denominational Amount of \$_____ and the Maturity Value of \$_____ and \$_____ Principal Amount of Current Interest Bonds. This Bond is issued by the County of Los Angeles (the “County”) in the name of and on behalf of the District under and in accordance with the provisions of (i) Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”) and (ii) Article XIII A of the California Constitution, and pursuant to that certain “Resolution of the Board of Supervisors of the County of Los Angeles, California Authorizing the Issuance and Sale of General Obligation Bonds, 2008 Election, 2011 Series A, of the Hawthorne School District in an Aggregate Amount Not to Exceed \$4,200,000” adopted by the Board of Supervisors of the County on November __, 2011 (the “Resolution”). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to Maturity Amount from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Accreted Value of this Bond, or any part hereof, nor any premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District, the County and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Convertible Capital Appreciation Bonds maturing on August 1, 20__ may be redeemed before maturity at the option of the District, from any source of available funds, in whole or in part, at the direction of the District, on any date on or after August 1, 20__ at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium.

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County; provided, however, that no such

modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon, or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

If this Bond is called for redemption and the Accreted Value, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the Governing Board of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in accordance with the provisions of the Act and of the Constitution of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the County of Los Angeles has caused this Bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto as of the date stated above.

COUNTY OF LOS ANGELES

By: _____
Chair of the Board of Supervisors

By: _____
Treasurer and Tax Collector

[SEAL]

Countersigned:

By: _____
Executive Officer – Clerk of the Board
of Supervisors

The following Certificate of Authentication shall be printed on each Bond:

CERTIFICATE OF AUTHENTICATION

DATED: _____, 2011

TREASURER AND TAX COLLECTOR OF
THE COUNTY OF LOS ANGELES, as
Paying Agent

By: U.S. BANK NATIONAL
ASSOCIATION, as agent

By: _____
Authorized Designee

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B

FORM OF CONTRACT OF PURCHASE

\$ _____
**HAWTHORNE SCHOOL DISTRICT
COUNTY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION BONDS
2008 ELECTION, 2011 SERIES A**

CONTRACT OF PURCHASE

_____, 2011

County of Los Angeles
Treasurer and Tax Collector
437 Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Hawthorne School District
Board of Trustees
14120 South Hawthorne Boulevard
Hawthorne, CA 90250

Ladies and Gentlemen:

The undersigned (the “Underwriter”) offers to enter into this Contract of Purchase (the “Purchase Contract”) with the County of Los Angeles, California (the “County”), and the Hawthorne School District, (the “District”), which, upon your acceptance hereof, will be binding upon the District, the County and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the County and the District and delivery of such acceptance to us at or prior to 11:59 p.m., California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$_____ in aggregate principal of the District’s General Obligation Bonds, 2008 Election, 2011 Series A (the “Bonds. The Bonds shall bear or accrete interest at the rates, and shall mature in the years shown on Exhibit A hereto, which is incorporated herein by this reference.

2. **Closing.** At 8:00 a.m., California Time, on _____, 2011, or at such other time or on such other date as shall have been mutually agreed upon by the Underwriter, the County and the District (the “Closing”), the County and the District shall cause to be delivered to

the Underwriter, through the facilities of The Depository Trust Company (“DTC”), New York, New York, or at such other place as the parties hereto may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Fulbright & Jaworski L.L.P., in Los Angeles, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price. The purchase price shall be paid by wire transfer to the County in immediately available funds, of \$_____ (being equal to the aggregate initial amount of the Bonds, [plus net original issue premium of \$_____,] less an Underwriter’s discount of \$_____, [and less the bond insurance premium of \$_____]).

3. The Bonds. The Bonds shall be issued in the form of Current Interest Bonds and Capital Appreciation Bonds, as identified on Appendix A hereto, shall be dated their date of delivery and are subject to redemption as set forth in Appendix A hereto. In all other respects the Bonds shall be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on _____, 2011 (the “District Resolution”) and the Resolution of the Board of Supervisors of the County adopted _____, 2011 (the “County Resolution” and collectively with the District Resolution, the “Resolutions”) and Section 53506 *et seq.* of the Government Code of the State of California, as amended (the “Act”). All capitalized terms used herein without definition shall have the meanings given to them in the County Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York; the Bonds shall initially be in authorized denominations of \$5,000 principal amount in the case of the Current Interest Bonds and \$5,000 maturity value in the case of the Capital Appreciation Bonds, or any integral multiple thereof.

4. Use of Documents. The District and the County hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract and an Official Statement (defined below), the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

5. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield to be set forth on the inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

6. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2011 (the “Preliminary Official Statement”). The District represents that it deems

the Preliminary Official Statement to be final, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

7. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The District is a school district duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract, the Escrow Deposit and Trust Agreement, dated as of December 1, 2011 (the "Escrow Agreement") between the District and U.S. Bank national Association (the "Escrow Agent"), to adopt the District Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Escrow Agreement and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds, the Escrow Agreement, the District Resolution and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract and the Escrow Agreement constitute valid and legally binding obligations of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract and the Escrow Agreement.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request.

(d) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the Escrow Agreement, the District Resolution and the Bonds, and the compliance with the

provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(e) Litigation. Except as described in the Preliminary Official Statement, as of the time of acceptance hereof no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the District or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Escrow Agreement or the Resolutions or contesting the powers of the District or the Resolutions or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Contract or the Resolutions, (b) declare this Purchase Contract or the Escrow Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor the County on behalf of the District at the District's request, will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(g) Continuing Disclosure. The District will undertake, pursuant to the District Resolution and a Continuing Disclosure Agreement, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. The District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events with respect to the last five years.

(h) Certificates. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

(i) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(j) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

8. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriter that:

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Contract, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract and the County Resolution; (iii) the execution and delivery or adoption of, and the performance by the County of the obligations contained in the Bonds, the County Resolution and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, or which have not been taken or obtained; except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, provided, however, that the County shall not be

required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

(d) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Purchase Contract, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(e) Litigation. To the best knowledge of the County, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the or threatened against the County: (i) in any way affecting the existing of the County or in any way challenging the respective powers of the several offices or of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the County Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the County Resolution or contesting the powers of the County or their authority with respect to the Bonds, the County Resolution or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Purchase Contract or the County Resolution; or (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part.

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement.

(g) Certificates. Any certificates signed by any officer of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter, but not by the person signing the same, as to the statements made therein.

9. Covenants of the County and the District. The County and the District respectively covenant and agree with the Underwriter and in the case of Section 9(e) below with the owners of the Bonds that:

(a) Securities Laws. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such

states and jurisdictions, provided, however, that the County and the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the District Resolution and the Escrow Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the “Official Statement”) in such reasonable quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b) (4) of the Rule and with the rules of the Municipal Securities Rulemaking Board. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing; and

(e) Amendments to Official Statement. For a period of twenty-five (25) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, promptly after having been furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

10. **Conditions to Closing**. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter’s obligations under this Purchase Contract are

and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the County and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by us; (ii) all actions under the Act which, in the opinion of Fulbright & Jaworski L.L.P., bond counsel ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their obligations required under or specified in the District Resolution, the County Resolution, the Escrow Agreement, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, be threatened which has any of the effects described in Section 8(e) or 9(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Marketability. Between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the County and the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for

purposes of federal income taxation of the interest received by the owners of the Bonds; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war, engagement in or escalation of major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(6) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency;

[(7) the withdrawal or downgrading of any rating or credit outlook of the Insurer by a national rating agency; or]

(8) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to

make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the County and the District substantially in the form attached as APPENDIX A to the Preliminary Official Statement;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in (e)(1) above;

(3) Supplemental Opinion. A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel to the effect that (i) this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute the legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on remedies against school districts in the State of California; provided, however, that no opinion as to the enforceability of any indemnification, contribution, choice of law, penalty or waiver provisions therein; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification under the Trust Indenture Act of 1939, as amended; and (iii) the statements contained in the Official Statement on the cover and under the captions "THE BONDS" (other than under the captions "—Book-Entry Only System," "SECURITY FOR THE BONDS" and "TAX MATTERS" and APPENDIX A to the Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds, the Resolutions and the final approving opinion of Bond Counsel, are fair and accurate;

(4) Disclosure Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Fulbright & Jaworski, L.L.P., to the effect that (i) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the County Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (ii) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the District, the County, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the

Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data contained in the Official Statement);

(5) Defeasance Opinion. A defeasance opinion, dated the Closing Date and addressed to the District and the Underwriter, of Bond Counsel, relating to the defeasance of the District's outstanding Bond Anticipation Notes, 2010 Series C;

(6) Certificate of the County. A certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (iii) the County has complied with all the terms of the County Resolution and this Purchase Contract to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect, and (iv) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the County Resolution;

(7) Certificate of the District. A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Resolution and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such District official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the District Resolution, and (vi) no further consent is required to be obtained for the inclusion of the District's audited financial statements, including the accompanying accountant's letter, for Fiscal Year [2009/10] [2010/11] in the Official Statement;

(8) Tax Exemption. A Tax Exemption certificate of the District in form satisfactory to Bond Counsel;

(9) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District Board of Trustees to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

(ii) the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(10) County Resolution. An originally executed copy of the adopted County Resolution, together with a Board letter;

(11) County Counsel Opinion. An opinion of Counsel to the County in substantially the form attached hereto as Appendix B;

(12) Official Statement. Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

[(13) Ratings. Evidence as of the Closing Date satisfactory to the Underwriter that the Bonds have received, at a minimum, a rating of “____” from Moody’s Investors Service (“Moody’s”) and a rating of “____” from Standard & Poor’s Ratings Services (“S&P”), assuming delivery of the Insurance Policy, and underlying ratings of “____” and “____,” respectively, from Moody’s and S&P without regard to the Insurance Policy, and that such ratings have not been revoked or downgraded;]

[(14) Bond Insurance. An executed municipal bond insurance policy (the “Policy”) of Assured Guaranty Insurance (the “Insurer”), insuring the scheduled payment of principal of and interest on the Bonds, substantially in the form attached as APPENDIX E of the Official Statement;]

[(15) Opinion of Counsel to Insurer. An opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriter, the District and the County in form and substance acceptable to counsel to the Underwriter, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the State of its incorporation; (ii) the Policy constitutes the legal, valid and binding obligation of the Insurer enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors’ and/or claimants’ rights against insurance companies and to general equity principles; and (iii) the information contained in the Official Statement under the caption “BOND INSURANCE” does not contain any untrue statement of a material fact or omit

to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;]

(16) Continuing Disclosure Agreement. An executed copy of the Continuing Disclosure Agreement, substantially in the form presented in the Official Statement as APPENDIX D thereto;

(17) Escrow Agreement. An executed copy of the Escrow Agreement, in the form satisfactory to Bond Counsel and the Underwriter;

(18) Form 8038-G. Evidence that the federal tax information Form 8038-G has been prepared for filing;

(19) Notice of Final Sale. A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code; and

(20) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business on _____, 2011, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12 hereof.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

11. Conditions to Obligations of the County and the District. The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of

opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

12. **Expenses.** To the extent the transactions contemplated by this Contract of Purchase are consummated, the District shall pay all costs of issuance of the Bonds, including but not limited to the following costs of issuance: (i) the cost of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel and Underwriter Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses (including those of the Underwriter); (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees, if any, of the Paying Agent; (vii) the bond insurance premium, if any; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds.

The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel and other expenses (except those expressly provided above) without limitation.

13. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles, 437 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, if to the District, to the Superintendent, Hawthorne School District, 14120 South Hawthorne Boulevard, Hawthorne, CA 90250, or if to the Underwriter, to Piper Jaffray & Co., 2321 Rosecrans Ave., Suite 3200, El Segundo, CA 90245.

14. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Contract when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This Purchase Contract is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All your representations, warranties and agreements of the County and the District in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Contract.

15. **Execution in Counterparts.** This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

16. **Applicable Law.** This Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

PIPER JAFFRAY & CO.

By: _____
Authorized Representative

The foregoing is hereby agreed to and accepted as of the date first above written:

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
County Counsel

By: _____
Principal Deputy County Counsel

HAWTHORNE SCHOOL DISTRICT

By: _____
Authorized Representative
Time of Execution: _____

APPENDIX A

Maturity Schedule

Current Interest Bonds

Maturity Date (<u>August 1</u>)	<u>Original Par Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
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Capital Appreciation Bonds

Maturity Date (<u>August 1</u>)	<u>Original Par Amount</u>	<u>Original Accretion Rate</u>	<u>Reoffering Yield to Maturity</u>	<u>Maturity Value</u>
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Convertible Capital Appreciation Bonds

Maturity Date (<u>August 1</u>)	<u>Original Principal Amount</u>	<u>Conversion Date</u>	<u>Accretion Rate</u>	<u>Value at Maturity</u>	<u>Coupon Upon Conversion</u>
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Redemption Provisions

Optional Redemption.

The Current Interest Term Bonds maturing on or after August 1, 20____ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole, or in part, on any date, commencing August 1, 20____, at par, together with interest accrued thereon to the date fixed for redemption, without premium.

[The Capital Appreciation Serial Bonds and the Convertible Capital Appreciation Bonds maturing August 1, 20____ are not subject to optional redemption prior to their stated maturity dates. The Convertible Capital Appreciation Bonds maturing August 1, 20____ may be redeemed prior to maturity at the option of the District, from any source of available funds, in whole or in part on August 1, 2031, or on any date thereafter, at a redemption price equal to 100% of the Conversion Value thereof, together with interest accrued thereon to the date fixed for redemption, without premium.]

Mandatory Redemption of Term Bonds.

The Bonds maturing on August 1, 20____ shall be subject to mandatory sinking fund redemption, in part, on August 1st in each of the years and in the respective principal amounts as set forth in the following schedule, each mandatory sinking fund payment to be reduced pro-rata at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Prepayment Date (August 1)

Principal

*Final Maturity

The Convertible Capital Appreciation Term Bonds maturing on August 1, 20__ shall be subject to mandatory sinking fund redemption in part by lot on August 1 in each of the years and in the respective accreted values as set forth in the following schedule at a redemption price equal to the accreted value thereof, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Payment Date (August 1)

Redemption Value at Maturity

APPENDIX B

OPINION OF COUNTY COUNSEL

Hawthorne School District
14120 South Hawthorne Boulevard
Hawthorne, CA 90250

Piper Jaffray & Co.
2321 Rosecrans Ave., Suite 3200
El Segundo, CA 90245

\$ _____
**HAWTHORNE SCHOOL DISTRICT
COUNTY OF LOS ANGELES, CALIFORNIA
GENERAL OBLIGATION BONDS, 2008 ELECTION
2011 SERIES A**

Ladies and Gentlemen:

The opinion is rendered and delivered in connection with the issuance by the Board of Supervisors of the County of Los Angeles (the "County") on behalf of the Hawthorne School District (the "District") of \$_____ aggregate principal amount of bonds designated "Hawthorne School District General Obligation Bonds, 2008 Election, 2011 Series A" (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County of Los Angeles adopted _____, 2011 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted _____, 2011, by the Board of Trustees of the District (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Contract of Purchase dated _____, 2011 (the "Purchase Contract"), among the District, the County and Piper Jaffray & Co., as underwriter, and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and validly existing under the Constitution and the laws of the State of California.

2. The County Resolution approving and authorizing the execution and delivery of the Purchase Contract and the issuance of the Bonds was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required

by law and at which a quorum was present and acting at the time of adoption, has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.

3. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Contract or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Contract or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Contract; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

4. The Purchase Contract has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Contract constitutes the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms.

With respect to the opinions we have expressed above, enforcement of the rights and obligations under the County Resolution, the Purchase Contract and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Contract or the Bonds.

Very truly yours,

ANDREA SHERIDAN ORDIN
County Counsel

By:
CAMMY C. DuPONT
Principal Deputy County Counsel
Government Services Division

**2011-2012
RESOLUTION NO. 15
RESOLUTION OF THE BOARD OF TRUSTEES OF THE HAWTHORNE SCHOOL
DISTRICT AUTHORIZING THE ISSUANCE OF THE DISTRICT'S GENERAL
OBLIGATION BONDS, 2008 ELECTION, 2011 SERIES A**

WHEREAS, a duly called election was held in the Hawthorne School District, Los Angeles County, State of California (the "District"), County of Los Angeles (the "County") on June 3, 2008, and thereafter canvassed pursuant to law;

WHEREAS, at such election (the "Election"), there was submitted to and approved by the requisite 55% vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$20,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, the Board of Trustees of the District (the "District Board") has previously approved the issuance, among other series, of \$3,675,000 aggregate principal amount of the District's Bond Anticipation Notes, 2010 Series C (the "BANs");

WHEREAS, the Board has now determined that conditions in the financial marketplace are favorable for the refunding of the outstanding principal amount of the BANs;

WHEREAS, this District Board hereby determines that bonds should be offered at this time to refund the BANs and requests the Board of Supervisors of the County (the "County Board") to offer such bonds for sale pursuant to Section 53506 *et seq.* of the Government Code of the State of California, as amended (the "Act");

WHEREAS, the issuance of such bonds shall be conditional upon receipt by the District of written consent to such issuance from Assured Guaranty Municipal Corp., as insurer of the District's Certificates of Participation, 2009 Series A (the "2009 COPs");

WHEREAS, this District Board desires to confirm the appointment of certain professionals to provide services related to the issuance of the Bonds (as hereinafter defined); and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of the Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE HAWTHORNE SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:

SECTION 1. This District Board hereby determines that general obligation bonds of the District in the aggregate principal or issue amount of not to exceed \$4,200,000

(the "Bonds") be offered for sale, in one or more series, the proceeds of which are to be used to refund all or a portion of the BANs and to pay all necessary legal, financial, and contingent costs in connection therewith.

SECTION 2. For the above purposes, this District Board hereby requests the County Board to issue the Bonds and to order such Bonds to be sold to Piper Jaffray & Co., as the underwriter (the "Underwriter") at a negotiated sale in accordance with a Contract of Purchase to be prepared and entered into by and among the District, the County and the Underwriter in connection with the sale of the Bonds, substantially in the form submitted to and considered by this Board (the "Contract of Purchase"). The Bonds shall bear or accrete interest at rates not to exceed 12% per annum and shall not exceed 30 years in maturity from their date of issuance. The Bonds shall be issued in book-entry only form, to be lodged with The Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Bonds issued at the closing in the form of a single certificated Bond for each maturity within a series of the Bonds described in the Contract of Purchase. The Underwriter is directed to assist the District and the County in qualifying the Bonds for deposit with DTC.

SECTION 3. The form of Contract of Purchase to be filed with the District Board is hereby approved and the Superintendent of the District, its Business Manager or any designee of either thereof (each, an "Authorized Officer"), and each of them, is hereby authorized to execute the Contract of Purchase, with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District has instructed the Underwriter to establish the terms, series, interest structure and redemption provisions for the Bonds in order to take advantage of financial market conditions prevailing at the date of sale of the Bonds under the Contract of Purchase. Depending upon market conditions, the District may elect to purchase bond insurance to secure the payment of principal or accreted value of and interest on the Bonds, or any portion thereof.

SECTION 4. The Board does hereby authorize the appointment of U.S. Bank National Association as the authenticating agent, bond registrar, transfer agent and paying agent for the Bonds on behalf of the District (the "Paying Agent"). The District acknowledges that ongoing expenses and fees of the Paying Agent and all other fees and costs incurred in connection with the Bonds will be paid by the District.

SECTION 5. The issuance of the Bonds shall be conditional upon receipt by the District of written consent to such issuance from Assured Guaranty Municipal Corp., as insurer of the 2009 COPs, and the Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

SECTION 6. With respect to Bonds issued as tax-exempt bonds, the District hereby covenants with the holders of such Bonds that, notwithstanding any other provisions of this Resolution, it will (1) comply with all of the provisions of the County Resolution relating to the Rebate Fund (as defined therein) and perform all acts necessary to be performed by the District in connection therewith, and (2) make no use of the proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any

action, or refrain from taking any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The District will not make any use of the proceeds of the tax-exempt Bonds or any other funds of the District, or take or omit to take any other action, that would cause the tax-exempt Bonds to be “private activity bonds” within the meaning of Section 141 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code. To that end, so long as any tax-exempt Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1986, as amended, to the extent such requirements are, at the time, applicable and in effect. The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the tax-exempt Bonds. In furtherance of the foregoing tax covenants of this Section 3(a), the District covenants that it will comply with the instructions and requirements of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such tax-exempt Bonds, which is incorporated herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the tax-exempt Bonds.

SECTION 7. The form of a Preliminary Official Statement respecting the Bonds shall be taken up and approved by a subsequent meeting of the Board.

SECTION 8. The form of Escrow Deposit and Trust Agreement relating to the BANs (the “Escrow Agreement”) by and between the District and the U.S. Bank National Association, as escrow agent for the BANs, substantially in the form on file with the Clerk of the Board, is hereby approved, and an Authorized Officer of the District is hereby authorized to execute and deliver such Escrow Agreement, with such changes therein, deletions therefrom and modifications thereto as an Authorized Officer may, approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 9. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement, substantially in the form to be appended to the Preliminary Official Statement, to be executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

SECTION 10. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are pledged for the timely payment of the Principal of and interest on the Bonds; and that no statutory or constitutional limitation of indebtedness or taxation

will have been exceeded in the issuance of the Bonds. Furthermore, the Board finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Bonds without submitting the question of the issuance of the Bonds to a vote of the qualified electors of the District.

SECTION 11.

(a) The County Board is hereby requested to assist the District in the issuance and sale of the Bonds; in order to meet the requirements of law and the procedures of the County with respect to such a request, the Clerk of the District Board is hereby directed to lodge a certified copy of this Resolution with the Clerk of the County Board and with the Superintendent of Schools of the County promptly following adoption hereof, and the District represents and warrants to the County that annual administrative expenses associated with the Bonds at the time outstanding shall be the sole responsibility of the District and the District shall reimburse the County's costs and expenses incurred in connection with the issuance and sale of the Bonds. The Bonds are the general obligations of the District secured by tax levies and do not constitute an obligation of the County except as set forth in the resolution to be adopted by the County Board authorizing the issuance of the Bonds. The County will bear no responsibility for the acquisition, construction or installation of the project, or any part thereof.

(b) Officers of the Board, District Officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(c) The provisions of this Resolution as they relate to the terms of the Bonds may be amended by the Purchase Contract.

(d) The Board anticipates that the BANs will be defeased to their maturity date.

SECTION 12. The Board hereby confirms the appointment of Piper Jaffray & Co. as its Underwriter for the Bonds, Caldwell Flores Winters, as Financial Advisor and confirms Fulbright & Jaworski L.L.P., Los Angeles, California, as bond and disclosure counsel, with respect to the issuance of the Bonds, pursuant to letter agreements with such firms.

SECTION 13. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

SECTION 14. This Resolution shall take effect immediately upon its adoption.

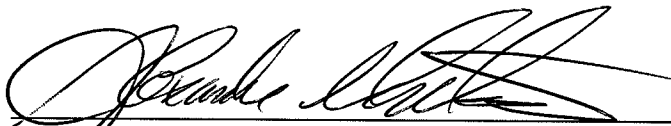
PASSED AND ADOPTED this 26th day of October, 2011 by the Board of Trustees of the Hawthorne School District of the County of Los Angeles, State of California, by the following vote:

AYES: 4 MEMBERS: Mrs. Chiappe, Mr. Vargas, Mr. Michelin, Mr. Monteiro

NOES: 0 MEMBERS: _____

ABSENT: 1 MEMBERS: Dr. Krank

This is to certify that this is a true and correct copy of the resolution as adopted and approved at a regular meeting of the Board of Trustees of the Hawthorne School District.



Alexandre Monteiro, Board President